

Basic goals
Unified front
One-pager w/main points

(Timing subject to change)

Tuesday, 9 am – present plan to legislators
Tuesday 11 am – press conference to announce (Gov, MHA, DOM, Lt. Gov, Speaker, Chairmen)

Tuesday 2 pm – Legislature resumes special session

Name of bill – Medicaid Stabilization and Fairness Act of 2008 (MSFA)

One-pager fact sheet

1. Fills the immediate \$90 million funding gap
2. Provides stable funding and reasonable expectations for next 5 years
3. Maintain fiscal integrity of Medicaid program in a way that is fair to hospitals and other providers, beneficiaries and taxpayers

Audience:
Legislators
Hospitals and medical community
Beneficiaries
General public
Media

Also need:
Press release
News advisory
Talking points

FAQ's

Medicaid Stabilization and Fairness Act of 2008 (MSFA)

Q. How is the plan funded?

A. Essentially, MSFA replaces several current funding mechanisms with a single

“Inpatient Bed Assessment” on hospitals.

Q. How much is the bed tax?

A. Under the best available current estimates, the bed tax will be in the neighborhood of \$175 per bed per day.

Q. Is this a firm figure?

A. The figure is based on the latest information available and a new funding formula that includes several variables, so the figure could change slightly in the years ahead.

Medicaid will try to recapture as much federal funding as possible, as the state receives a Federal match of \$1 for every 25-cents of state funding.

Q. How will revenues be distributed under this plan?

A. The Division of Medicaid will distribute payments to hospitals three times a year, starting no later than December 31, 2008.

Q. Who are likely winners and losers under this plan?

A. The big winners are Medicaid beneficiaries, who will continue to receive health care services; Mississippi taxpayers, who can be assured tax funds are being used efficiently; and Mississippi medical care providers, who will have reasonable expectations of a stable revenue source on which to base operational decisions.

Q. How will hospitals fare financially under this plan?

A. The vast majority of hospitals in Mississippi, both public and private, will see net increases in funding under this plan. An estimated 20 hospitals will see net decreases in funding through MSFA.

Q. Why is the Inpatient Day Assessment not a tax increase?

A. DOM's proposal calls for a consolidation of several different funding sources (IGTs, GRAs and bed tax) previously collected from hospitals into one source- the Inpatient Non-Medicare Day (IP) assessment. This consists of no increase in hospital contributions.

The DSH and UPL program is designed to be a supplemental or extra payment program for the hospitals to assist in the uncompensated care costs and the difference in Medicare and Medicaid payments. Since it is supplemental or extra the hospitals have paid the non-federal share through IGTs and/or GRAs since inception. A portion of the IP assessment would replace the IGTs and GRAs.

In 2007, the hospitals paid approx. \$43M in GRAs for a gross benefit of \$182M in UPL payments and approx. \$45M in IGTs for a gross benefit of \$189M in DSH payments.

The bed tax proceeds have benefited the hospitals in medical service claims. In 2007, the hospitals paid approx. \$14M in bed taxes and received over \$840M through medical service claims.

Before Katrina, the DSH hospitals contributed through IGTs more than the state share for DSH payments, this is the \$90M used as non-federal share by DOM to match for medical service claims. This is the same amount DOM has been requesting the hospitals continue to contribute but in a more equitable manner from all hospitals.

Now, this will be done through the IP assessment: \$104M (90+14) non-federal share of medical services funding PLUS sufficient funding for the non-federal share of DSH and UPL payments.

For the FY 2007 the hospitals contributed approx. \$102M non-federal share and benefited by over \$1 Billion dollars in Medicaid payments.

Q. How long is this plan in effect?

A. The repealer date for this new funding mechanism is 2013.